

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: SUPPORT SERVICES - SELF-INSURANCE

DATE: DECEMBER 14, 2011

COMMITTEE MEMBERS PRESENT:	OTHERS PRESENT:
SUPERVISORS TAYLOR	AMY CLUTE, SELF-INSURANCE ADMINISTRATOR
GIRARD	JACK BIENIEK, VICE PRESIDENT OF COOL INSURING AGENCY, INC.
STRAINER	RENEE BAKER, TD INSURANCE AGENCY
LOEB	DANIEL G. STEC, CHAIRMAN
MCDEVITT	PAUL DUSEK, COUNTY ADMINISTRATOR
	JOAN SADY, CLERK OF THE BOARD
COMMITTEE MEMBERS ABSENT:	SUPERVISOR THOMAS
SUPERVISORS VANNES	DON LEHMAN, <i>THE POST STAR</i>
MCCOY	JOANNE COLLINS, LEGISLATIVE OFFICE SPECIALIST

Mr. Taylor called the meeting of the Support Services Committee to order at 10:30 a.m.

Motion was made by Mr. Strainer, seconded by Mr. Girard and carried unanimously to approve the minutes of the prior meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Amy Clute, Self-Insurance Administrator, who distributed copies of the meeting agenda to the Committee members; *a copy of the agenda is also on file with the minutes.* Mrs. Clute advised that Jack Bieniek, Vice President of Cool Insuring Agency, Inc., was in attendance to review the 2012 renewal policy for the property and casualty insurance Program for Warren County. Mr. Bieniek distributed copies of the renewal proposal, which he proceeded to outline briefly for the Committee's benefit. *A copy of the renewal documents distributed are on file with the minutes.* In summary, Mr. Bieniek explained that the exposure changes for the policy had been relatively minimal, leading to a premium decrease of \$22,087 from the 2011 policy.

Mr. Bieniek reminded the Committee that in 2010 they had elected to purchase an additional \$10 million in flood insurance coverage over and above the \$1 million limit offered by the NYMIR (New York Municipal Insurance Reciprocal) policy. He noted that one of the caveats in the NYMIR policy was that properties located in areas designated as Flood Zone A or B would not receive any insurance benefits until the limits required by the National Flood Insurance Plan, which were approximately \$500,000 each for buildings and contents, had been exhausted. Mr. Bieniek noted that the County Fairgrounds property located in the Town of Warrensburg, which included a number of pavilion and barn-style buildings was designated as such. He advised he had included this property in the policy and work was underway to attain appropriate elevation certificates and GPS information for additional locations, including the Riparius Station and other buildings at the Fairgrounds. Mr. Bieniek informed that following the Tropical Storm Irene and Lee events, many resident had flood coverage available to sustain their losses and he recommended that the County continue to carry such coverage to protect their assets in like manner. In reference to the four locations that had not been included in the policy, Mr. Bieniek stated he would report back to the Committee when the necessary elevation certificates and premiums were attained; he added that the Committee could then determine whether to purchase additional coverage to lessen their exposure, or to self-insure those locations.

One emerging risk to consider, Mr. Bieniek apprised, was cyber breach which was technology driven and occurred when an outsider hacked into a computer system and removed confidential information, such as medical or financial data. He cited an example of one instance of a cyber breach at a Hannaford grocery store

which caused considerable damages due to a lost weekly tape which contained information on all the purchases made for a certain time period. Subsequently, he said, the store was required to notify all of the credit card customers that had made purchases during that time period that their credit accounts may have been compromised and then offer to provide a monthly credit report for each of these customers for a one year period at a cost of \$20-\$25 each. In light of the sensitive information retained by the County, Mr. Bieniek recommended the Committee fully consider coverage for cyber breach incidents.

Paul Dusek, County Administrator, said he felt they should pursue cyber breach coverage and determine the associated cost as there seemed to be daily reports of hacking incidents, especially those originating outside of the United States. Mr. Dusek stated that although the County was an unlikely target, proper coverage would be prudent and in the best interest of the County. Mr. Dusek noted that he was currently working on an RFP (request for proposal) that would allow the County to accept credit card payments for STOP-DWI fines, and possibly for real property tax payments. Additionally, he said that the Department of Social Services and the Westmount Health Facility maintained a considerable amount of classified information and this coverage could prove very valuable to the County, provided that a reasonable fee was attached.

A discussion ensued with regard to flood coverage for County properties in the Town of Warrensburg.

Returning to the issue of cyber breach, Mr. Bieniek explained State or Federal directives would require a response procedure for technological breaches. He advised he would prepare a cost proposal and relevant sample claims for review at a future meeting. Mrs. Clute pointed out the County filed confidential medical information in many areas, such as Insurance-Workers' Compensation, Public Health, Westmount Health Facility, and the Department of Social Services.

Motion was made by Mr. Girard and seconded by Mr. Strainer to approve the request to renew the Property & Casualty Insurance coverage for 2012, for a total amount of \$712,964.85.

A discussion ensued and Mr. Bieniek stated the additional flood coverage portion could be held in abeyance until the Committee reached a final decision. He reiterated that he would provide more detailed information at the next meeting.

Mr. Taylor called the question and the motion was carried unanimously to approve the request to renew the Property & Casualty Insurance coverage for 2012 as outlined above and the necessary resolution was authorized for the December 16, 2011 Board Meeting. *A copy of the resolution request form is on file with the minutes.*

Privilege of the floor was extended to Renee Baker with TD Insurance Agency, who summarized the 2012 Renewal Proposal for Warren County, a copy of which is on file with the minutes. She advised that the 2012 carrier for the Excess Workers' Compensation (WC) coverage was Midwest Employers Casualty Company, with a total deposit premium amount not to exceed \$136,854. Mrs. Baker noted an increase in the trend for WC rates and she said the primary factors which impacted rates were payroll figures and claims experience. Reviewing the County's eight year history with TD Insurance Agency, Mrs. Baker noted a progressive decrease in rates overall. She explained that coverage included the payment of medical bills and lost wages and payment of employers liability. She advised the 2012 carrier for the Employers Liability Specific Excess Insurance coverage was Capitol Indemnity Corporation, with a total premium not to exceed \$20,818.

In terms of cost saving opportunities for the County, Mrs. Baker stated that a decrease in the Employers Liability limit from \$2 to \$1 million, would reduce the premium by approximately \$6,500. She cautioned that although an employee could not sue the employer, a lawsuit could arise through a third party action.

A discussion ensued with regard to cost savings associated with lower liability limits and it was the consensus of the Committee and the recommendation of the County Administrator that the Employers Liability coverage remain at the \$2 million limit due to potential exposures.

Motion was made by Mr. Girard, seconded by Mr. McDevitt and carried unanimously to renew the contracts for Excess Employers Liability (Midwest Employers Casualty Company) and Excess Workers Compensation (Capital Indemnity Corporation) for 2012 as outlined above.

A brief discussion ensued. Mr. Taylor called the question and the motion was carried unanimously to approve the requests as outlined above and the necessary resolutions were authorized for the December 16, 2011 Board Meeting. *Copies of the resolution request forms are on file with the minutes.*

There being no further business to come before the Support Services Committee, on motion made by Mr. McDevitt and seconded by Mr. Loeb, Mr. Taylor adjourned the meeting at 11:29 a.m.

Respectfully submitted,

Joanne Collins, Legislative Office Special Specialist